[redacted] YUGOSLAVIA: SITUATION REPORT [redacted]

FEDERAL ARMY EFFORTS TO SEIZE BORDER CROSSINGS IN SLOVENIA YESTERDAY PROVOKED SHARP CLASHES WITH REPUBLIC PARAMILITARY FORCES, WHILE EFFORTS TO RESTART REPUBLIC-FEDERAL TALKS MADE NO PROGRESS. [redacted]

SECRET

CONFLICT INTENSIFIED

SLOVENIA YESTERDAY LOST CONTROL OF MOST OF ABOUT 20 INTERNATIONAL BORDER CROSSINGS, BUT THEIR FORCES RESISTED CONTINUING FEDERAL PRESSURE, ACCORDING TO WITNESSES. THEY CLAIM AT LEAST 15 FEDERAL TANKS AND SIX HELICOPTERS WERE DESTROYED YESTERDAY AND 100 PEOPLE WERE INJURED OR KILLED, INCLUDING CIVILIANS IN TOWNS ATTACKED BY FEDERAL FORCES. THE SLOVENIAN DEFENSE MINISTER LATE YESTERDAY SAID "SLOVENIA IS AT WAR." LOW-LEVEL VIOLENCE CONTINUED IN CROATIA [redacted]

[redacted] THE ARMY SO FAR HAS FOCUSED ON SECURING BORDER CROSSINGS IN SLOVENIA, BUT REPORTED FIGHTING AT THE LJUBLJANA AIRPORT MAY INDICATE IT IS BROADENING ITS OBJECTIVES. THE DEPLOYMENT IN CROATIA SUGGESTS THE ARMY IS PREPARING TO SECURE BORDER CROSSING WITH HUNGARY OR TO INTERVENE IF INTERETHNIC VIOLENCE THERE RESURGES. [redacted]

TALKS STALLED

FEDERAL PRIME MINISTER MARKOVIC YESTERDAY PROPOSED THAT SLOVENIA AND CROATIA ROLL BACK FOR THREE MONTHS ALL THIS WEEK'S MOVES TOWARD INDEPENDENCE IN EXCHANGE FOR A CEASE-FIRE. SLOVENIAN LEADERS SAID THEY WOULD NOT NEGOTIATE UNTIL ARMY OPERATIONS CEASED. [redacted]

COMMENT: SLOVENIAN OFFICIALS SHOW NO SIGN OF REVOKING THE DECLARATION OF INDEPENDENCE. FEDERAL MILITARY LEADERS PROBABLY WILL REJECT ANY PROPOSAL THAT WOULD LEAVE SLOVENIA IN CONTROL OF BORDER CROSSINGS AND STRENGTHEN ITS CASE FOR INTERNATIONAL RECOGNITION. IF THE ARMY CAPTURES ALL BORDER CROSSINGS, HOWEVER, A DE FACTO CEASE-FIRE MAY EMERGE, ALLOWING A BREATHING SPACE FOR TALKS. [redacted]

SERBIAN OFFENSIVE

THE PRO-SERBIAN BLOC YESTERDAY HELD A RUMP SESSION OF THE FEDERAL PRESIDENCY AND INVITED THE ARMY TO SUBMIT PLANS FOR MARTIAL LAW. THE SERB ENCLAVES IN CROATIA AND BOSNIA-HERCEGOVINA UNITED YESTERDAY, AND THE SERBIAN REPUBLIC LEGISLATURE MOVED CLOSER TO ANNEXING THEM. [redacted]

[redacted] SERBIAN STRONGMAN MILOSEVIC APPEARS TO BE TRYING AGAIN TO SEIZE CONTROL OF THE PRESIDENCY, WHICH FORMALLY COMMANDS THE ARMY. THE MOVES BY THE SERB ENCLAVES WILL BE OPPOSED BY LOCAL CROATS AND MUSLIMS AND MAY SPREAD ETHNIC VIOLENCE INTO BOSNIA-HERCEGOVINA. [redacted]